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Analysis of the influence of industrial policies to the economic development: evidence from Tanzania

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Abstract: Literature manifest that Tanzania industrial policies were not satisfactorily executed to realize the intended goals for economic development. With that regard the interrogation of the influence of industrial policies to economic development in Tanzania become the discourse. The contemporary study is undertaken to analyze the influence of industrial policies to economic development during the period from 1996 to 2015 in Tanzania. A Simple Regression model is employed to appraise the influence of industrial policies to economic development during the period from 1996 to 2015 in Tanzania. Facts of the study were gathered from the World Bank and Tanzania National Bureau Of Statistics for the period from 1996 to 2015. To probe the influence of industrial policies to economic development during the period from 1996 to 2015 in Tanzania, Industrial policies were represented by the economic openness as Independent variable and other macroeconomic variables (industrial registration, Gross Domestic Product (GDP），employment, investment, import, export and revenue) as the dependent variables of the study. The information discovered from the probe were in actual fact absorbing. Findings of the study reveal that the correlation between economic openness and all macroeconomic variables (industrial registration, Gross Domestic Product (GDP), investment, import, export and revenue) is positive and meaningful Except to Employment. The correlation between economic openness and employment is negative and meaningless. The meaning is industrial policies had significant influence to all macroeconomic variables (industrial registration, Gross Domestic Product (GDP), investment, import, export and revenue) except Employment during the period from 1996 to 2015 in Tanzania.

Keywords: Tanzania, Industrial Policies, and Economic Development.

Introduction

Tanzania launched industrial policies and staring the implementation from the year of 1996 aiming to pilot the manufacturing sector resulting for the quick economic development in the country towards industrialization and achieving middle income status.Tanzania Ministry of Industry and Trade Report, Pg.12, (2011), stated that ,"Sustainable Industrial Development Policy 1996-2020 (SIDP) The Sustainable Industrial Development Policy 1996-2020 (SIDP) was

launched during the second half of the 1990s, replacing the Basic Industry Strategy (BIS) which had expired in 1995".

Literature explore that Tanzania industrial policies were not properly implemented to achieve the desired goals of economic development. Regarding that, the question of the influence of these policies to economic development become the debate.Tanzania's gradual path to an industrial economy has been adventurous, full of challenges and mostly difficult. However, this is not due to the lack of policies Tanzania has drafted many policies for transforming the industrial sector since independence. Some of these policies were weak and some strong, but the main problem, as often pointed out by academicians has been poor implementation. "The results in terms of industrial development have failed to keep pace with the rhetoric," says John page from Brookings Institutions (The Citizen, Pg.1. ,2018).

The present study is undertaken to investigate the influence of industrial policies to economic development during the period from 1996 to 2015 in Tanzania. The study specifically will investigate the influence industrial policies represented by the economic openness as independent variable to the macroeconomic dependent variables of the study, that are industrial registration, Gross Domestic Product (GDP), employment, investment, import, export and revenue.

Motivation of the study and objective

Literature explore that Tanzania industrial policies were not properly implemented to achieve the desired goals of economic development. Regarding that, the question of the influence of these policies to economic development become the debate.Tanzania's gradual path to an industrial economy has been adventurous, full of challenges and mostly difficult. However, this is not due to the lack of policies Tanzania has drafted many policies for transforming the industrial sector since independence. Some of these policies were weak and some strong, but the main problem, as often pointed out by academicians has been poor implementation. "The results in terms of industrial development have failed to keep pace with the rhetoric," says John page from Brookings Institutions (The Citizen, Pg.1. ,2018).

The present study is undertaken to investigate the influence of industrial policies to economic development during the period from 1996 to 2015 in Tanzania. The study specifically will investigate the influence industrial policies represented by the economic openness as independent variable to the macroeconomic dependent variables of the study, that are industrial registration, Gross Domestic Product (GDP), employment, investment, import, export and revenue.

Considering the present study findings, the study will generate new knowledge which will show the relationship between industrial policies and macroeconomic variables during the period from 1996 to 2015 in Tanzania. Where by the relationship between industrial policies and all macroeconomic variables (industrial registration, Gross Domestic Product (GDP), Investment, Import, Export and Revenues) is Positive and meaningful, except employment where the results indicates negative relationship and meaningless.

The objective of the study is to analyze the influence of industrial policies to economic development during the period from 1996 to 2015 in Tanzania.

Literature review

In this setting and considering the high dependence of Tanzania's economy on the agricultural sector, policymakers emphasized the need to build a competitive industrial sector to transform the economy. Industrial policies continue to be formulated to address the challenges that arise to this very day (Tanzania Industrial Competitive Report,P.g.17. 2012).

Manufacturing has strategic importance in technology and innovation for economic development since it explores new ideas and is a leading sector for technological diffusion, which has strong linkages and spillover effects associated with manufacturing (Msami and Wangwe ,P.G.1., 2016).

Industrialization is primarily a political project: ▪ Identifying and managing winners and losers e.g. traders and industrialists., Build industrial policy management capabilities among key actors primarily through learning by doing (Wangwe ,Pg.1., 2018).

Successful industrial policies need to be accompanied by reliable energy policies – especially in a country like Tanzania, which is among the least electrified countries in the world. (Gussai. S, Bitrina. D.,and Hezron. M.Pg.1., 2018).

Tanzania's industrial sector has evolved through various stages since independence in 1961, from nascent and undiversified to state-led import substitution industrialization, and subsequently to de-industrialization under the structural adjustment programmes and policy reforms. The current development agenda, however, has brought industrial development back to be one of the policy priorities (Wangwe, Mmari,Aikael, Rutatina and Mboghoina,.Pg.1. 2016).

Industrialisation has been recognised as the overarching policy priority guiding the design and implementation of all policies and strategies aimed at achieving the objectives of Tanzania's Five-Year Development Plan 2016/17–2021/22 (FYDP II). (Kweka, Pg.1., 2018).

The paper ended with policy options and strategies to enhance the impact of trade and industrial policies on poverty reduction. These included improving the business environment; reducing restrictive trade and customs regulations; improving customs administration, promoting entrepreneurship and promote the rural economy, (Nyoni,Pg.1., 2006).

Industrial policy has received renewed interest among researchers and policy makers in recent years because of failed industrial development in the developing world, the only exception being the Asian experiences(Higuchi and Shimada ,Pg.1., 2019).

The Integrated Industrial Development Strategy 2025 (IIDS 2025) reviews the policies of SIDP in the context of the emerging economic environment and prepares a road map for implementation of the SIDP strategies so as to achieve the objectives of the industrial sector as mandated under VISION 2025 targets, (Ministry of Industry and Trade United Republic of Tanzania , Pg.1.,2011).

Why Industrial Policy? It is useful to recount briefly the motivating factors behind the push to industrialize, if only to place the subsequent policies in their historical context. (Shapiro,Pg.1., 2007).

Industrial policy is back on the agenda and the consensus is that it must be different 'this time' from the past. We redefine industrial policy for industrialised countries as a strategy to promote 'high-road competitiveness', understood as the ability of an economy to achieve 'Beyond-GDP' Goals (Aiginger, Pg.1.,2014).

Data and methodology

The current study ascertain to probe the influence of industrial policies to economic development during the period from 1996 to 2015 in Tanzania. A Simple Regression Model in Double Log and Semi Log Linear Models applied as methodology to inquire into the influence of industrial policies to economic development during the period from 1996 to 2015 in Tanzania. The study data were collected from the World Bank and Tanzania National Bureau Of Statistics during the period from 1996 to 2015.

To inspect the influence of industrial policies to economic development during the period from 1996 to 2015 in Tanzania, industrial policies were represented by economic openness and regarded as independent variable, while industrial registration, Gross Domestic Product (GDP), Employment, Investment, Import, Export and Revenue be regarded as Dependent variables of the study. To assess the influence of industrial policies to economic development the study employed quantitative approach attached with the excel (Microsoft office excel 2007) EVIEWS (3.0 style).

To examine carefully the influence of industrial policies to economic development during the period from 1996 to 2015 in Tanzania, the study establish the following equations:

The Influence of industrial policies to industrial registration:

IR = α0 + β1 Et + e1t1 ……..……(1) Where, IR is the natural log of Industrial Registration, E is Economic Openness Index. The α0 is constant, and β 1, is coefficients parameter.

The Influence of industrial policies to Gross Domestic Product(GDP):

G = α0 + β1 Et + e1t2 ……..……(2) Where, G is the natural log of Gross Domestic Product (GDP), E is Economic Openness Index. The α0 is constant, and β 1, is coefficients parameter.

The Influence of industrial policies to Employment:

EMP = α0 + β1 Et + e1t3 ……..……(3) Where, EMP is the natural log of Employment, E is Economic Openness Index. The α0 is constant, and β 1, is coefficients parameter.

The Influence of industrial policies to Investment:

INV = α0 + β1 Et + e1t4 ……..……(4) Where, INV is the natural log of Investment, E is Economic Openness Index. The α0 is constant, and β 1, is coefficients parameter.

The Influence of industrial policies to Import:

IM = α0 + β1 Et + e1t5 ……..……(5) Where, IM is the natural log of Import, E is Economic Openness Index. The α0 is constant, and β 1, is coefficients parameter.

The Influence of industrial policies to Export:

EX = α0 + β1 Et + e1t6 ……..……(6) Where, EX is the natural log of Export, E is Economic Openness Index. The α0 is constant, and β 1, is coefficients parameter.

The Influence of industrial policies to Revenue:

REV = α0 + β1 Et + e1t7 ……..……(7) Where, REV is the natural log of Revenue, E is Economic Openness Index. The α0 is constant, and β 1, is coefficients parameter.

Empirical results and discussion

The current study after gathering all the data subject to examination, descriptive and analytical approach were applied to investigate the influence of industrial policies to economic development during the period from 1996 to 2015 in Tanzania.

To examine the influence of industrial policies to economic development the study applied quantitative approach attached with the Excel (Microsoft office excel 2007) EVIEWS (3.0 style).

Correlation between industrial policies and macroeconomic variables

The contemporary study assumes industrial policies which regarded as economic openness as independent variable, while the rest macroecomic variables （industrial registration, Gross Domestic Product (GDP), Employment, Investment, Import, Export and Revenue) as the Dependent variables to assess the influence of industrial policies to economic development during the period from 1996 to 2015 in Tanzania.

DATA. Appendix 1 : Data gathered from the word bank and Tanzania Bureau of statistics during the period from 1996 to 2015 in Tanzania.

Y	E.O.I	IND	GDP	EMP	INV	IMP	EXP	REV
1996	51.881	210	4.544	84.023	0	31.944	19.937	0
1997	41.908	210	3.525	84.071	0	25.69	16.218	0
1998	25.936	210	3.709	84.222	0	15.911	10.025	0
1999	25.013	210	4.864	84.132	0	14.85	10.163	0
2000	23.981	345	4.521	84.228	0	13.172	10.809	0
2001	28.021	345	6.071	84.36	0	14.188	13.832	0
2002	27.49	345	7.093	84.469	0	13.213	14.277	0
2003	30.438	345	6.673	84.676	0	15.35	15.088	0
2004	33.598	345	7.504	84.889	0	17.558	16.04	0
2005	36.959	1131	7.476	85.12	0	19.976	16.983	0
2006	42.768	1131	6.532	85.49	0	24.353	18.415	0
2007	48.058	1131	6.769	85.587	0	28.228	19.831	0
2008	49.027	1131	5.686	85.397	0	29.562	19.465	0
2009	43.533	1131	5.269	84.746	2.951	25.338	18.194	12.09
2010	47.64	1131	6.337	83.711	2.536	28.033	19.608	10.39
2011	56.166	1131	7.672	82.723	1.751	34.532	21.634	10.32
2012	54.37	1131	4.5	82.252	3.058	31.998	22.372	11.32
2013	48.631	1131	6.782	81.782	2.053	29.618	19.012	11.36
2014	45.356	434	6.732	81.652	0.712	27.287	18.069	12.23
2015	40.758	434	6.161	81.627	0.44	23.653	17.105	11.38

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TOTAL	801.532	13612	118.42	1679.1	13.501	464.45	337.077	79.12

Where:Y is the Year, E.O.I is Economic Openness Index, IND is Industry Registration, GDP is Gross Domestic Product, EMP is Employment, INV is Investment, IMP is Import, EXP is Export, and REV is Revenue.

Appendix 2: From appendix number 1, Data computed to the natural Logarithms for all macroeconomic variables during the period from 1996 to 2015.

Y	EOI	IND	GDP	EMP	INV	IMP	EXP	REV
1996	3.95	5.35	1.51	4.43	0	3.46	3	0
1997	3.74	5.35	1.3	4.43	0	3.25	2.79	0
1998	3.26	5.35	1.31	4.43	0	2.77	2.31	0
1999	3.22	5.35	1.58	4.43	0	2.7	2.32	0
2000	3.18	5.84	1.51	4.43	0	2.58	2.38	0
2001	3.33	5.84	1.8	4.44	0	2.65	2.63	0
2002	3.31	5.84	1.96	4.44	0	2.58	2.66	0
2003	3.42	5.84	1.9	4.44	0	2.73	2.71	0
2004	3.51	5.84	2.02	4.44	0	2.87	2.78	0
2005	3.61	7	2.01	4.44	0	3	2.83	0
2006	3.76	7	1.88	4.45	0	3.19	2.91	0
2007	3.87	7	1.91	4.45	0	3.34	2.99	0
2008	3.9	7	1.74	4.45	0	3.39	2.97	0
2009	3.77	7	1.66	4.44	1.08	3.23	2.9	2.5
2010	3.86	7	1.85	4.43	0.93	3.33	2.98	2.34
2011	4.03	7	2.04	4.42	0.56	3.54	3.07	2.33
2012	4	7	1.5	4.41	1.12	3.47	3.11	2.43
2013	3.88	7	1.91	4.4	0.72	3.39	2.95	2.43
2014	3.81	6	1.91	4.4	-0.34	3.31	2.89	2.5
2015	3.71	6	1.82	4.4	-0.82	3.16	2.84	2.43
Total	73.12	125.6	35.12	88.6	3.25	61.94	56.02	16.9

Where:Y is the Year, E.O.I is Economic Openness Index, IND is Industry Registration, GDP is Gross Domestic Product, EMP is Employment, INV is Investment, IMP is Import, EXP is Export, and REV is Revenue.

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THE INFLUENCE OF INDUSTRIAL POLICIES TO INDUSTRIAL REGISTRATION DURING THE PERIOD FROM 1996 TO 2015 IN TANZANIA

The information discovered from the probe indicate the correlation between economic openness and industrial registration is positive and meaningful during the period from 1996 to 2015 in Tanzania. The computation displays the coefficient for economic openness is 1.5782 ($t=3.7152, p<0.001$). The meaning is for each additional increase in economic openness industrial registration increases by 1.5782 points. Generally means industrial policies influenced industrial registration during the period from 1996 to 2015 in Tanzania. These findings originated from Table 1 below.

Table 1: Regression Results Between Economic Openness and Industrial Registration during the period from 1996 to 2015.

Dependent Variable : Industrial Registration

V	CT	SD	T	P
M	1.5782	0.4248	3.7152	0
C	0.51			0
R2	0.3958			
AR	0.3622			
SER	0.5151			
NOB =20				

Origin: Roughly calculated from Appendix 3.

Where: V is Variable, CT is Coefficient,C is Constant, SD is the Standard Deviation, T is T-Statistic , P is Probability, M is Economic Openness , R2 is R-Squared, AR is Adjusted R-Square , SER is Standard Error of Estimation NOB is number of Observation.

Appendix 3: Regression Calculation between Economic Openness and Industrial Registration during the period from 1996 to 2015.

Y	EOI	IND	X^2	Y^2	XY
1996	3.95	5.35	15.6025	28.6225	21.1325
1997	3.74	5.35	13.9876	28.6225	20.009
1998	3.26	5.35	10.6276	28.6225	17.441

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1999	3.22	5.35	10.3684	28.6225	17.227
2000	3.18	5.84	10.1124	34.1056	18.5712
2001	3.33	5.84	11.0889	34.1056	19.4472
2002	3.31	5.84	10.9561	34.1056	19.3304
2003	3.42	5.84	11.6964	34.1056	19.9728
2004	3.51	5.84	12.3201	34.1056	20.4984
2005	3.61	7	13.0321	49	25.27
2006	3.76	7	14.1376	49	26.32
2007	3.87	7	14.9769	49	27.09
2008	3.9	7	15.21	49	27.3
2009	3.77	7	14.2129	49	26.39
2010	3.86	7	14.8996	49	27.02
2011	4.03	7	16.2409	49	28.21
2012	4	7	16	49	28
2013	3.88	7	15.0544	49	27.16
2014	3.81	6	14.5161	36	22.86
2015	3.71	6	13.7641	36	22.26
TOTAL	73.12	125.6	268.804	798.018	461.5095

Origin: From Appendix 2

Where: Y is the Year, EOI is the Economic Openness Index (X) , and IND is the Industrial Registration (Y).

THE INFLUENCE OF INDUSTRIAL POLICIES TO GROSS DOMESTIC PRODUCT (GDP) DURING THE PERIOD FROM 1996 TO 2015 IN TANZANIA

The information discovered from the probe indicate the correlation between economic openness and Gross Domestic Product (GDP) is positive and meaningful during the period from 1996 to 2015 in Tanzania. The computation displays the coefficient for economic openness is 0.1493 ($t=3.3326, p<.001$). The meaning is for each additional increase in economic openness Gross Domestic Product (GDP) increases by 1.493 points. Generally means industrial policies influenced Gross Domestic Product (GDP) during the period from 1996 to 2015 in Tanzania. These findings originated from Table 1 below.

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Table 1: Regression Results Between Economic Openness and Gross Domestic Product (GDP) during the period from 1996 to 2015.

Dependent Variable : Gross Domestic Product (GDP)

V	CT	SD	T	P
M	0.1493	0.0448	3.3326	0
C	1.2102			0
R2	0.0324			
AR	-0.0214			
SER	0.0544			
NOB =20				

Origin: Roughly calculated from Appendix 4.

Where: V is Variable, CT is Coefficient,C is Constant, SD is the Standard Deviation, T is T-Statistic , P is Probability, M is Economic Openness , R2 is R-Squared, AR is Adjusted R-Square , SER is Standard Error of Estimation NOB is number of Observation.

Appendix 4: Regression Calculation between Economic Openness and Gross Domestic Product (GDP) for the period from 1996 to 2015.

Y	EOI	GDP	X^2	Y^2	XY
1996	3.95	1.51	15.6025	2.2801	5.9645
1997	3.74	1.3	13.9876	1.69	4.862
1998	3.26	1.31	10.6276	1.7161	4.2706
1999	3.22	1.58	10.3684	2.4964	5.0876
2000	3.18	1.51	10.1124	2.2801	4.8018
2001	3.33	1.8	11.0889	3.24	5.994
2002	3.31	1.96	10.9561	3.8416	6.4876
2003	3.42	1.9	11.6964	3.61	6.498
2004	3.51	2.02	12.3201	4.0804	7.0902
2005	3.61	2.01	13.0321	4.0401	7.2561
2006	3.76	1.88	14.1376	3.5344	7.0688

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2007	3.87	1.91	14.9769	3.6481	7.3917
2008	3.9	1.74	15.21	3.0276	6.786
2009	3.77	1.66	14.2129	2.7556	6.2582
2010	3.86	1.85	14.8996	3.4225	7.141
2011	4.03	2.04	16.2409	4.1616	8.2212
2012	4	1.5	16	2.25	6
2013	3.88	1.91	15.0544	3.6481	7.4108
2014	3.81	1.91	14.5161	3.6481	7.2771
2015	3.71	1.82	13.7641	3.3124	6.7522
TOTAL	73.12	35.12	268.804	62.6832	128.6194

Origin: Appendix 2

Where: Y is the Year, EOI is the Economic Openness Index (X), and GDP is the Gross Domestic Product (Y).

THE INFLUENCE OF INDUSTRIAL POLICIES TO EMPLOYMENT DURING THE PERIOD FROM 1996 TO 2015 IN TANZANIA

The investigation outcome reveal that the correlation between economic openness and employment is negative and meaningless during the period from 1996 to 2015 in Tanzania. The meaning is industrial policies did not influence the employment during the period from 1996 to 2015 in Tanzania. Findings from Table 1 below:

Dependent Variable : Employment

V	CT	SD	T	P
M	-0.0147	0.1119	-0.0194	0
C	4.4837			0
R2	0.0317			
AR	-0.0221			
SER	0.1357			
NOB =20				

Origin: Roughly calculated from Appendix 5.

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Where: V is Variable, CT is Coefficient, C is Constant, SD is the Standard Deviation, T is T-Statistic , P is Probability, M is Economic Openness , R2 is R-Squared, AR is Adjusted R-Square , SER is Standard Error of Estimation NOB is number of Observation.

Appendix 5: Regression Calculation between Economic Openness and Employment during the year from 1996 to 2015.

Y	EOI	EMP	X^2	Y^2	XY
1996	3.95	4.43	15.6025	19.6249	17.4985
1997	3.74	4.43	13.9876	19.6249	16.5682
1998	3.26	4.43	10.6276	19.6249	14.4418
1999	3.22	4.43	10.3684	19.6249	14.2646
2000	3.18	4.43	10.1124	19.6249	14.0874
2001	3.33	4.44	11.0889	19.7136	14.7852
2002	3.31	4.44	10.9561	19.7136	14.6964
2003	3.42	4.44	11.6964	19.7136	15.1848
2004	3.51	4.44	12.3201	19.7136	15.5844
2005	3.61	4.44	13.0321	19.7136	16.0284
2006	3.76	4.45	14.1376	19.8025	16.732
2007	3.87	4.45	14.9769	19.8025	17.2215
2008	3.9	4.45	15.21	19.8025	17.355
2009	3.77	4.44	14.2129	19.7136	16.7388
2010	3.86	4.43	14.8996	19.6249	17.0998
2011	4.03	4.42	16.2409	19.5364	17.8126
2012	4	4.41	16	19.4481	17.64
2013	3.88	4.4	15.0544	19.36	17.072
2014	3.81	4.4	14.5161	19.36	16.764
2015	3.71	4.4	13.7641	19.36	16.324
TOTAL	73.12	88.6	268.804	392.503	323.8994

Origin: Appendix 2

Where: Y is Year, EOI is the Economic Openness Index (X), and EMP is the Employment (Y).

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THE INFLUENCE OF INDUSTRIAL POLICIES TO INVESTMENT DURING THE PERIOD FROM 1996 TO 2015 IN TANZANIA

The information discovered from the probe indicate the correlation between economic openness and Investment is positive and meaningful during the period from 1996 to 2015 in Tanzania. The computation displays the coefficient for economic openness is 0.6584(t=1.7331,p<.001). The meaning is for each additional increase in economic openness Investment increases by 0.6584 points. Generally means industrial policies influenced Investment during the period from 1996 to 2015 in Tanzania. These findings originated from Table 1 below.

Table 1: Regression Results Between Economic Openness and Investment during the period from 1996 to 2015.

Dependent Variable : Investment

V	CT	SD	T	P
M	0.6584	0.3799	1.7331	0
C	-2.2446			0
R2	0.1457			
AR	0.0982			
SER	0.4611			
NOB =20				

Origin: Roughly calculated from Appendix 6.

Where: V is Variable, CT is Coefficient, C is Constant, SD is the Standard Deviation, T is T-Statistic , P is Probability, M is Economic Openness , R2 is R-Squared, AR is Adjusted R-Square , SER is Standard Error of Estimation NOB is number of Observation.

Appendix 6: Regression Calculation between Economic Openness and Investment during the period from 1996 to 2015.

Y	EOI	INV	X^2	Y^2	XY
1996	3.95	0	15.6025	0	0
1997	3.74	0	13.9876	0	0
1998	3.26	0	10.6276	0	0

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1999	3.22	0	10.3684	0	0
2000	3.18	0	10.1124	0	0
2001	3.33	0	11.0889	0	0
2002	3.31	0	10.9561	0	0
2003	3.42	0	11.6964	0	0
2004	3.51	0	12.3201	0	0
2005	3.61	0	13.0321	0	0
2006	3.76	0	14.1376	0	0
2007	3.87	0	14.9769	0	0
2008	3.9	0	15.21	0	0
2009	3.77	1.08	14.2129	1.1664	4.0716
2010	3.86	0.93	14.8996	0.8649	3.5898
2011	4.03	0.56	16.2409	0.3136	2.2568
2012	4	1.12	16	1.2544	4.48
2013	3.88	0.72	15.0544	0.5184	2.7936
2014	3.81	-0.34	14.5161	0.1156	-1.2954
2015	3.71	-0.82	13.7641	0.6724	-3.0422
TOTAL	73.12	3.25	268.804	4.9057	12.8542

Origin : Appendix 2

Where : Y is Year, EOI is the Economic Openness (X), and INV is the Investment (Y).

THE INFLUENCE OF INDUSTRIAL POLICIES TO IMPORT DURING THE PERIOD FROM 1996 TO 2015 IN TANZANIA

The information discovered from the probe indicate the correlation between economic openness and Import is positive and meaningful during the period from 1996 to 2015 in Tanzania. The computation displays the coefficient for economic openness is 1.1607 ($t=30, p<.001$). The meaning is for each additional increase in economic openness Import increases by 1.160 points. Generally means industrial policies influenced Import during the period from 1996 to 2015 in Tanzania. These findings originated from Table 1 below.

Table 1: Regression Results Between Economic Openness and Import during the period from 1996 to 2015.

Dependent Variable : Import

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V	CT	SD	T	P
M	1.1607	0.0388	30	0
C	-1.1464			0
R2	0.9720			
AR	0.9704			
SER	0.04714			
NOB =20				

Origin: Roughly calculated from Appendix 7.

Where: V is Variable, CT is Coefficient, C is Constant, SD is the Standard Deviation, T is T-Statistic , P is Probability, M is Economic Openness , R2 is R-Squared, AR is Adjusted R-Square , SER is Standard Error of Estimation NOB is number of Observation.

Appendix 7: Regression Calculation between Economic Openness and Import during the period from 1996 to 2015.

Y	EOI	IMP	X^2	Y^2	XY
1996	3.95	3.46	15.6025	11.9716	13.667
1997	3.74	3.25	13.9876	10.5625	12.155
1998	3.26	2.77	10.6276	7.6729	9.0302
1999	3.22	2.7	10.3684	7.29	8.694
2000	3.18	2.58	10.1124	6.6564	8.2044
2001	3.33	2.65	11.0889	7.0225	8.8245
2002	3.31	2.58	10.9561	6.6564	8.5398
2003	3.42	2.73	11.6964	7.4529	9.3366
2004	3.51	2.87	12.3201	8.2369	10.0737
2005	3.61	3	13.0321	9	10.83
2006	3.76	3.19	14.1376	10.1761	11.9944
2007	3.87	3.34	14.9769	11.1556	12.9258
2008	3.9	3.39	15.21	11.4921	13.221
2009	3.77	3.23	14.2129	10.4329	12.1771

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2010	3.86	3.33	14.8996	11.0889	12.8538
2011	4.03	3.54	16.2409	12.5316	14.2662
2012	4	3.47	16	12.0409	13.88
2013	3.88	3.39	15.0544	11.4921	13.1532
2014	3.81	3.31	14.5161	10.9561	12.6111
2015	3.71	3.16	13.7641	9.9856	11.7236
TOTAL	73.12	61.94	268.804	193.874	228.1614

Origin : Appendix 2

Where : Y is the Year, EOI is the Economic Openness Index (X), and IMP is Import (Y）。

THE INFLUENCE OF INDUSTRIAL POLICIES TO EXPORT DURING THE PERIOD FROM 1996 TO 2015 IN TANZANIA

The information discovered from the probe indicate the correlation between economic openness and Export is positive and meaningful during the period from 1996 to 2015 in Tanzania. The computation displays the coefficient for economic openness is 0.6587 ($t=0.8237, p<.001$). The meaning is for each additional increase in economic openness Export increases by 0.6587 points. Generally means industrial policies influenced Export during the period from 1996 to 2015 in Tanzania. These findings originated from Table 1 below.

Table 1: Regression Results Between Economic Openness and Export during the period from 1996 to 2015.

Dependent Variable : Export

V	CT	SD	T	P
M	0.6587	0.8239	0.8237	0
C	0.32			0
R2	0.6343			
AR	0.6094			
SER	1			
NOB =20				

Origin: Roughly calculated from Appendix 8.

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Where: V is Variable, CT is Coefficient, C is Constant, SD is the Standard Deviation, T is T-Statistic , P is Probability, M is Economic Openness , R2 is R-Squared, AR is Adjusted R-Square , SER is Standard Error of Estimation NOB is number of Observation.

Appendix 8: Regression Calculation between Economic Openness and Export during the period from 1996 to 2015.

Y	EOI	EXP	X^2	Y^2	XY
1996	3.95	3	15.6025	9	11.85
1997	3.74	2.79	13.9876	7.7841	10.4346
1998	3.26	2.31	10.6276	5.3361	7.5306
1999	3.22	2.32	10.3684	5.3824	7.4704
2000	3.18	2.38	10.1124	5.6644	7.5684
2001	3.33	2.63	11.0889	6.9169	8.7579
2002	3.31	2.66	10.9561	7.0756	8.8046
2003	3.42	2.71	11.6964	7.3441	9.2682
2004	3.51	2.78	12.3201	7.7284	9.7578
2005	3.61	2.83	13.0321	8.0089	10.2163
2006	3.76	2.91	14.1376	8.4681	10.9416
2007	3.87	2.99	14.9769	8.9401	11.5713
2008	3.9	2.97	15.21	8.8209	11.583
2009	3.77	2.9	14.2129	8.41	10.933
2010	3.86	2.98	14.8996	8.8804	11.5028
2011	4.03	3.07	16.2409	9.4249	12.3721
2012	4	3.11	16	9.6721	12.44
2013	3.88	2.95	15.0544	8.7025	11.446
2014	3.81	2.89	14.5161	8.3521	11.0109
2015	3.71	2.84	13.7641	8.0656	10.5364
TOTAL	73.12	56.02	268.804	157.9776	205.9959

Origin : Appendix 2

Where : Y is the Year, EOI is the Economic Openness Index (X), and EXP is the Export (Y）。

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THE INFLUENCE OF INDUSTRIAL POLICIES TO REVENUE DURING THE PERIOD FROM 1996 TO 2015 IN TANZANIA

The information discovered from the probe indicate the correlation between economic openness and Revenue is positive and meaningful during the period from 1996 to 2015 in Tanzania. The computation displays the coefficient for economic openness is 2.3756 (t=1.8237,p<.001). The meaning is for each additional increase in economic openness Revenue increases by 2.3756 points. Generally means industrial policies influenced Revenue during the period from 1996 to 2015 in Tanzania. These findings originated from Table 1 below.

Table 1: Regression Results Between Economic Openness and Revenue during the period from 1996 to 2015.

Dependent Variable :Revenue

V	CT	SD	T	P
M	2.3756	1.3026	1.8237	0
C	-7.9264			0
R2	0.3109			
AR	0.27167			
SER	1.5811			
NOB =20				

Origin: Roughly calculated from Appendix 9.

Where: V is Variable, CT is Coefficient, C is Constant, SD is the Standard Deviation, T is T-Statistic , P is Probability, M is Economic Openness , R2 is R-Squared, AR is Adjusted R-Square , SER is Standard Error of Estimation NOB is number of Observation.

Appendix 9: Regression Calculation between Economic Openness and Revenue during the period from 1996 to 2015.

Y	EOI	REV	X^2	Y^2	XY
1996	3.95	0	15.6025	0	0
1997	3.74	0	13.9876	0	0
1998	3.26	0	10.6276	0	0

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1999	3.22	0	10.3684	0	0
2000	3.18	0	10.1124	0	0
2001	3.33	0	11.0889	0	0
2002	3.31	0	10.9561	0	0
2003	3.42	0	11.6964	0	0
2004	3.51	0	12.3201	0	0
2005	3.61	0	13.0321	0	0
2006	3.76	0	14.1376	0	0
2007	3.87	0	14.9769	0	0
2008	3.9	0	15.21	0	0
2009	3.77	2.5	14.2129	6.25	9.425
2010	3.86	2.34	14.8996	5.4756	9.0324
2011	4.03	2.33	16.2409	5.4289	9.3899
2012	4	2.43	16	5.9049	9.72
2013	3.88	2.43	15.0544	5.9049	9.4284
2014	3.81	2.5	14.5161	6.25	9.525
2015	3.71	2.43	13.7641	5.9049	9.0153
TOTAL	73.12	16.96	268.804	41.1192	65.536

Origin : From Appendix 2

Where : Y is the Year, EOI is the Economic Openness Index (X), and REV is the Revenue (Y).

Summary of the findings

Findings of the study reveal that the correlation between economic openness and all macroeconomic variables (industrial registration, Gross Domestic Product (GDP), investment, import, export and revenue) is positive and meaningful Except to Employment. The correlation between economic openness and employment is negative and meaningless. The meaning is industrial policies had significant influence to all macroeconomic variables (industrial registration, Gross Domestic Product (GDP), investment, import, export and revenue) except Employment during the period from 1996 to 2015 in Tanzania.

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Limitation of the study

The study analyzed the influence of Industrial policies to economic development, however the study does not mention the quantity and extent of the influence of industrial policies to economic development during the period from 1996 to 2015 in Tanzania. Future research studies should investigate the influence of industrial policies to economic development by mentioning the quantity and extent of influence of industrial policies to economic development during the period from 1996 to 2015 in Tanzania.

Conclusions and recommendations

The information discovered from the probe were in actual fact absorbing. Findings of the study reveal that the correlation between economic openness and all macroeconomic variables (industrial registration, Gross Domestic Product (GDP), investment, import, export and revenue) is positive and meaningful Except to Employment. The correlation between economic openness and employment is negative and meaningless. The meaning is industrial policies had significant influence to all macroeconomic variables (industrial registration, Gross Domestic Product (GDP), investment, import, export and revenue) except Employment during the period from 1996 to 2015 in Tanzania.

Recommendations

From the fact that the correlation between industrial policies and employment is negative and meaningless during the period from 1996 to 2015 in Tanzania, Industrial policies should be customarily appraised to reflect the veracious environment of employment and economic development in Tanzania.

The future research should investigate on the making and unmaking of strong and weak industrial policies, understanding policies features formation within industrial sector to support the economic development in Tanzania.

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